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SUBJECT: AMBASSADOR WILSON'S ISTANBUL APRIL 2-4 VISIT

Classified By: Classified by Consul General Deborah K. Jones. Reasons 1.4 (b,d)

¶1. (U) Summary: Ambassador Wilson visited Istanbul on April 2-4, 2006. He attended and addressed the openings of two significant conferences and met with business, religious, and community leaders. Concerns in Istanbul focused on U.S. actions regarding the PKK, U.S. intentions in Iran, and the status of U.S.-Turkey relations, particularly in light of the recent Hamas visit to Ankara. End summary.

FOURTH ASSEMBLY OF THE WORLD MOVEMENT FOR DEMOCRACY

¶2. (U) The World Movement for Democracy conference organized by the National Endowment for Democracy attracted an impressive array of leaders from NGO, academic, and governmental sectors. Turkish Prime Minister Recep Tayyip Erdogan spoke at the opening session, lamenting that "terror is becoming more globalized than peace," and citing poverty and ignorance as causes. The Ambassador, as a representative of one of three donor nations (U.S., Sweden, Taiwan) supporting the conference, offered brief remarks at the dinner following the opening session, thanking participants for their important work in advancing democracy worldwide.

COCA-COLA

¶3. (SBU-- CONTAINS COMPANY PROPRIETARY INFORMATION) The Ambassador met on April 3, 2006, with Coca-Cola Turkey President Ahmet Bozer and Public Relations Manager Gurtay Kipcak to discuss tax issues. Coca-Cola was given a provisional tax assessment for FY 2000-2003 of USD 230 million, and then asked to acquire a bank letter of guarantee for that amount, at a cost of \$7.5 million annually to the company. Although the auditor who conducted the assessment has since been discredited, a follow-up audit only reduced the tax liability to \$100 million, and did not significantly reduce the amount required in the letter of guarantee. Coca-Cola is contemplating a meeting with PM Erdogan or Minister of the Economy Ali Babacan before its scheduled settlement hearing in April.

¶4. (SBU-- CONTAINS COMPANY PROPRIETARY INFORMATION) Bozer said Coca-Cola may bring a lawsuit in this case, but he is unsure about the outcome given the unpredictability of the courts and tenuous rule of law in Turkey. Coca-Cola faced a similarly high tax assessment for FY 1999, went to court, and won. But anti-American sentiment is higher now, and he believes there is a related fear of press coverage about the government going soft on American companies. In addition, Bozer believes that some GOT officials may be trying to protect Ulker, Coca-Cola's leading domestic competitor, and this could bias court proceedings.

CHIEF RABBI, JEWISH COMMUNITY

¶ 15. (SBU) Chief Rabbi Isak Haleva and top members of the Jewish community's lay council expressed their continued security concerns following the synagogue bombings in 2003. They praised the Istanbul police force for its cooperation and support of the Jewish community, however, and noted that they have no plans to increase the private security measures they are currently taking. The Ambassador expressed U.S. commitment to the security and well-being of the community.

¶ 16. (SBU) The Jewish Community also expressed concerns about growing anti-Semitism and anti-Americanism in some fringe media outlets. The prevalence and rapid spread of conspiracy theories in Turkey, they said, fuels the fires of anti-Semitism. They praised the GOT for its support of interfaith dialogue and noted that their own cultural events and educational efforts were having a positive impact.

EDITOR-IN-CHIEF OF LEADING ISTANBUL NEWSPAPER

¶ 16. (U) In a meeting with Fatih Aytali, Editor-in-Chief of Sabah, Turkey's fourth largest paper with a circulation of 500,000, the discussion focused on the PKK, the situation in Iran, and Turkish-American relations. The Ambassador described the U.S. strategy on PKK violence that aims at specific problems in Iraq, Europe and Turkey. He refused to speculate about whether the U.S. would ask Turkey for support from the Incirlik base in the event of military action against Iran, and emphasized that the U.S. is currently pursuing a diplomatic course of action on the Iran nuclear issue.

¶ 17. (SBU) When asked, the Ambassador said that U.S.-Turkey relations are better than they were three years ago, but they are still in a rebuilding period. He noted that the recent Hamas visit and the way in which it was communicated to the USG left people in Washington wondering about the direction in which Turkey is heading.

ARMENIAN PATRIARCH

¶ 18. (C) Armenian Patriarch Mesrob II outlined his top priorities to the Ambassador as providing religious services to the Armenian population and fostering friendship and reconciliation between Turks and Armenians. He suggested his work would be cut out for him when Armenian Catholicos Karekin II visits Istanbul at the end of June. Karekin has been vocal on the genocide issue. While Mesrob has requested that Karekin not take a strong stance while he is here, Karekin's intentions remain to be seen. Karekin had planned to visit last year, but Mesrob asked that he not come in light of the ninetieth anniversary of the massacres of 1915.

¶ 19. (SBU) In contrast to the Greek Patriarchate, which focuses its religious instruction efforts on re-opening the Halki high school, Mesrob proposes the establishment of a university-level theology department that would have sub-units for the various religions that exist in Turkey. The program would be open to both co-religionists and Turkish Muslims, and graduates would have the opportunity to be ordained. The Ministry of Education has voiced support for his idea, but no concrete steps have been taken thus far. Sticking points include who will write the curriculum (Mesrob asserts that if the Patriarchate is going to ordain graduates, it must create the curriculum); where it will be located (Galatasaray is the only university that has expressed an interest in hosting the program, but Mesrob is reluctant because this is a French-speaking university, and his participants will already be charged with learning ancient Armenian, modern Armenian, and Hebrew); and who will pay for the program (Mesrob asserts that the government should pay for the establishment of the program, noting that the GOT pays for

the salaries of all imams, as well as electricity, upkeep, and taxes of all mosques, and does not do the same for other religions.

ARMENIAN BSEC REPRESENTATIVE GAREN MIRZOYAN

¶10. (C) The Armenian representative to the Black Sea Economic Council (BSEC) is Armenia's only accredited diplomat in Turkey. Representative Karen Mirzoyan stated that despite positive efforts by both sides, there has not been substantial progress on Turkish-Armenian issues over the last two years. Mirzoyan noted Armenia's proposal for a bilateral commission to deal with all the issues, including the events of 1915, how Turks and Armenians can overcome their differences, and control of the Turk-Armenian border. He said that Armenia will probably reply soon, and negatively, to the latest Turkish proposal regarding bilateral commissions. Mirzoyan characterized the U.S. as a "unique partner" that could help in promoting dialogue between governments and in on-going private projects, such as a Kurdish-Armenian Women's Magazine and a Global Heritage Fund project to restore historical monasteries in the Kars region of Turkey. The Ambassador suggested that BSEC look to APEC, Asia Pacific Economic Cooperation, as a model to develop business ties, infrastructure, and trade in the region. He reiterated U.S. support for a settlement of the Nagorno-Karabakh conflict, noting that this is an historic opportunity that may not come again until after the 2007-08 election cycles have passed in Armenia and Azerbaijan.

SEMINAR ON ALTERNATIVE SOLUTIONS & POLICE CUSTODY IN CRIMINAL LEGISLATION

¶11. (U) The Ambassador gave remarks at the opening session of the above-titled seminar. Turkish participants included the Ministries of Justice and Interior undersecretaries, several judges, prosecutors, prison officials and others. U.S. participants included Senior Judge for the U.S. Ninth Circuit Court of Appeals Clifford Wallace, representatives from the Los Angeles Sheriff's Department, and various district attorneys. The Ambassador expressed U.S. support for judicial reform.

TURKISH AMERICAN BUSINESS ASSOCIATION

¶12. (U) Finally, the Ambassador addressed a well-attended luncheon hosted by the Turkish American Business Association (TABA). The Ambassador briefly reviewed his meetings in Washington in connection with the ATC and commented on Turkey's strong economic growth over the past four years.

¶13. (U) In questions following the speech, participants brought up many of the issues raised earlier in the visit. On the PKK, the Ambassador restated the U.S. strategy in Iraq, Europe and Turkey. On Hamas, he noted Congressional and public concern and anger about the visit, stating that while Turkey is a friend and ally of the U.S., some are questioning Turkey's intentions, and even Turkey supporters were "disappointed." On Iran, the Ambassador reaffirmed the U.S. commitment to diplomacy to persuade Iran to abandon its nuclear programs and expressed appreciation for Turkey's support. On the EU, the Ambassador reaffirmed U.S. support for Turkey's accession, and encouraged Turkey to start aggressively pursuing the economic and political reform agenda that is part of that accession process.

JONES